

## A general introduction to employment law in Jersey (Lexology)

**Briefing Summary:** This chapter offers a practical overview of key developments in Jersey employment law during the past year, including major legislative reforms and updated compensation limits. It also highlights significant case law, compliance considerations and emerging trends that employers should anticipate in the coming year. This chapter was first published in Lexology, October 2025.

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**Content Authors:** Huw Thomas, Tarina Le Boutillier, Hannah Rigby

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### Introduction

This chapter offers a practical overview of key developments in Jersey employment law during the past year, including major legislative reforms and updated compensation limits. It also highlights significant case law, compliance considerations and emerging trends that employers should anticipate in the coming year.

Jersey's employment law framework continues to evolve in response to global trends and local socioeconomic priorities. The 2025 reforms were driven by a policy commitment to strengthen employee protections, align with international standards and enhance procedural fairness. According to the Jersey Employment and Discrimination Tribunal's Annual Report 2024, claim volumes rose by 18 per cent, with discrimination and wage-related disputes accounting for the largest share. These figures underscore the importance of proactive compliance and robust HR governance.

### Key Contacts



Huw Thomas  
PARTNER, JERSEY  
+44 (0)1534 822224

[EMAIL HUW](#)



Tarina Le Boutillier  
COUNSEL, JERSEY  
+44 (0)1534 822490

[EMAIL TARINA](#)



Hannah Rigby  
ASSOCIATE, JERSEY  
+44 (0)1534 822376

[EMAIL HANNAH](#)

### OFFSHORE LAW SPECIALISTS

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## Year in review

The most recent year for which Jersey Employment and Discrimination Tribunal statistics are available is 2024. The 2024 Tribunal Annual Report recorded a material rise in claim forms submitted, with 286 in 2024. This was the highest ever recorded, a 23 per cent increase year-on-year from 232 in 2023. The claims raised are as follows:

- employment law claims: 442 (2023: 374); and
- discrimination law claims: 177 (2023: 101).

JACS (the local version of ACAS) reported a significant rise in discrimination law claims being referred to it, a large number of which were disability-related as follows:

- claims referred to JACS by the Tribunal: 250 (up 30 per cent on 2023); and
- of these, 93 (37 per cent) were discrimination claims (45 per cent of these were disability-related).

JACS also noted a large rise in queries and advice being sought over 'hidden' disabilities, particularly those concerning mental health and neurodiversity.

Over the past 12 months, Jersey's employment law has undergone significant reform, principally through the Employment and Discrimination (Jersey) Amendment Law 2025, which came into force on 25 July 2025. These changes have affected compensation limits, dismissal procedures and the powers of the Tribunal.

Key legislative changes included:

### 1. compensation limits:

- unfair dismissal awards now range from four weeks' pay for employees with one year's service to 36 weeks' pay for those with 15 years or more, with a potential 25 per cent uplift in appropriate cases (such as egregious conduct by employers);
- discrimination claims now carry a cap of the lesser of £30,000 or 52 weeks' pay (up from £10,000), of which up to £30,000 may be awarded for hurt and distress;
- maximum awards for breach of statutory doubled to eight weeks' pay; and
- the Tribunal's jurisdiction for breach of contract claims was increased from £10,000 to £30,000;

**2. new dismissal obligations:** Employers must now provide written reasons for dismissal as a day-one right, within seven days of termination. Failure to comply can result in an award of up to eight weeks' pay. This is a day one right and does not require a request from the departing employee; and

**3. costs regime:** For the first time, the Tribunal has powers to award costs of up to £10,000 for unreasonable conduct during proceedings, marking a potential shift in litigation strategy for litigants.

Beyond the Amendment Law, other notable developments included:

1. the minimum wage increasing to £13 per hour, and the reintroduction of a trainee rate (£10.50); and
2. the statutory redundancy cap now being £1,040 per week.

## Significant cases

There is one employment case and two goods and services cases that nonetheless give important Tribunal guidance regarding disability discrimination.

### David Foley v. Jersey Electricity PLC [2025] TRE 84

The applicant brought an unfair dismissal claim against its former employer, arguing that being offered the option to resign rather than face disciplinary action should be considered grounds for unfair dismissal. The Employment Tribunal confirmed that demanding a resignation is in effect a dismissal. However, the Tribunal concluded that offering an employee the option to resign rather than face disciplinary action, which might result in a dismissal, is not, itself, unfair or constructive dismissal – provided that the employee had a genuine choice as to which course of action to take and was not under pressure.

### Cooper v. Colletts Corner Limited T/A The Royal St Martin & Another [2025] TRE 10

The applicant filed a disability discrimination case against the respondent after being refused service of alcohol, arguing that the refusal was due to his epilepsy and that the manager of The Royal St Martin had disclosed this information in public, causing the applicant distress and a subsequent seizure the following day. The respondent stated that refusal of alcohol was due to the intoxication of the applicant and thus was in line with the Licensing (Jersey) Law 1974. The Employment Tribunal accepted the applicant's epilepsy was a disability under the Discrimination (Jersey) Law 2013 and found the applicant had only had two drinks with no clear signs of intoxication.

The Tribunal found that a hypothetical customer without a disability would not have been refused service, and this refusal was heavily based on the applicant's disability. There was insufficient evidence for public disclosure of the disability. The Tribunal therefore concluded that the refusal constituted less favourable treatment in line with Article 6 (1) of the Discrimination (Jersey) Law 2013 and awarded the applicant with £2,500 (the middle Vento band) for hurt and distress. It found the respondent fully liable for its failure to provide discrimination law training to its managers.

### C v. R [2024] TRE 145 (4,5 Feb 2025)

The Employment Tribunal considered whether a child's exclusion from nursery due to their epilepsy would amount in a successful discrimination claim. The applicant argued that this amounted to discrimination and that the nursery had failed to make reasonable adjustments.

The Tribunal accepted that the exclusion of the child from nursery was based on the nursery's concerns regarding the child's seizures and health and safety of the child's peers. However, the tribunal found that removing the child was not a proportionate means of achieving a legitimate aim.

While the tribunal concluded that there was no intention to discriminate and the claim for failure to make reasonable adjustments and take reasonable steps in providing auxiliary aid was dismissed, it found that removing the child constituted discrimination arising from the child's disability. It was noted that it was at a detriment to the child but that there was no distress caused, therefore it made no financial award. The tribunal emphasised that exclusion should only occur where proportionate steps have been considered and it should be proportionate means to meet a legitimate aim. It also highlighted that the impact of the exclusion takes precedent over the intentions for the exclusion, regardless of whether they were good.

## Basics of entering an employment relationship

### Employment relationship

Employers must issue a written statement of terms within four weeks of commencement, covering prescribed particulars such as the identity of the parties, job title or work description, place and hours of work, pay and method of calculation, holiday and sick pay entitlements and notice periods. Any contractual change should be confirmed in writing within four weeks of the change. Fixed-term contracts remain lawful; renewal and expiry should be managed carefully to avoid inadvertent unfair dismissal risk and to ensure equal treatment issues are considered.

### Probationary periods

Probationary periods are permitted in Jersey and serve as a useful mechanism for assessing suitability, while enabling shorter notice provisions. However, they do not override day-one statutory protections, such as discrimination rights or family-friendly leave rights, nor do they affect the standard one-year qualifying period for unfair dismissal, except in cases of automatically unfair reasons.

Well-drafted probation clauses should set clear performance expectations, outline review points, confirm any right to extend the period and specify notice requirements. Employers should keep detailed review notes and issue outcome letters, as these records are invaluable if disputes arise later.

The statutory minimum period of notice to be given during a probationary period is one week (if given by an employer) which is the statutory minimum for periods of continuous employment up to two years.

The statutory minimum period for employees during probation is one week during the first 26 weeks of employment and two weeks for 26 weeks to one year.

## Establishing a presence

Jersey law generally prohibits a foreign company from hiring employees in Jersey unless it has registered to do business there. Notably, under the Control of Housing and Work (Jersey) Law 2012, anyone carrying on a business in Jersey needs a valid business licence to employ staff. This licence grants permission to hire and will specify any limits on staff (for example, how many employees who are not locally qualified can be engaged). Without such a licence, a foreign company cannot legally put someone on its payroll in Jersey.

Hiring workers through a Jersey-registered agency or a third-party employer of record is permitted. In this arrangement, the individuals are legally employed by a local entity (the agency or service provider), not by the foreign employer directly. This means the agency holds the business licence and takes on all local employment compliance, while the foreign company pays the agency for the service.

Essentially, the agency is the formal employer on record, handling Jersey payroll, social security and work permission matters, and the foreign firm is just the agency's client.

A similar approach applies to the use of third-party contractors, who are generally considered to be operating the Jersey-based undertaking.

While specialist tax advice is required for the creation of a permanent establishment, the engagement of independent contractors would not generally be understood as giving rise to a permanent establishment in Jersey.

If a foreign company does proceed to hire employees in Jersey (after obtaining the necessary licence/registration), it will have to comply with Jersey's employment laws and payroll taxes just like any local employer. Key statutory requirements and benefits for employees in Jersey include:

- 1. minimum paid annual leave:** All Jersey employees are entitled by law to at least three weeks of paid annual leave per year plus paid public and bank holidays (there are nine public/bank holidays in Jersey, and if employees must work on those days, they must get a day off in lieu or be paid for that day in addition to a day off); and
- 2. statutory parental leave:** Jersey has modern 'family friendly' rights. New parents – mothers, fathers and adoptive parents – are each entitled to 52 weeks of parental leave, of which the first six weeks must be paid by the employer at full salary. There are also rights to paid time off for antenatal appointments and breastfeeding breaks.

Regarding income tax withholding, Jersey does not operate a standard PAYE system like the UK. It requires employers to withhold income tax from employee wages under the Income Tax Instalment Scheme (ITIS). Each employee has an ITIS rate (a percentage) determined by Revenue Jersey based on their circumstances. The employee provides this rate to the employer. The employer must deduct that percentage from each wage payment and pay it to Revenue Jersey on the employee's behalf, monthly. Employers must register with Revenue Jersey as an employer (usually done concurrently with getting a business licence) and file combined monthly returns showing ITIS and social security for all staff. The employer is responsible for reporting and remitting these withholdings.

Regarding social security contributions, both employer and employee must contribute to Jersey's Social Security system. Jersey operates a contributory system similar to National Insurance.

## Restrictive covenants

The law does permit non-compete clauses in employment contracts; however it is very fact-specific. The starting point for any restrictive covenant in Jersey is that they are void on the grounds of public policy unless they can be said to be:

1. reasonable in the interests of the parties;
2. reasonable in the interests of the public;
3. necessary to protect a legitimate business interest such as trade secrets or business connections; and
4. go no further than is reasonably necessary between the parties to protect that interest.

That said, non-compete clauses are often included in employment contracts preventing employees from working for competitors or other businesses both during employment and a period of time after its termination. In addition, typical wording may require the employee to, during employment 'devote the whole of their time, attention and abilities to the employer and not work for anyone else without our prior written approval'.

Factors that are relevant to whether or not a post-employment restrictive covenant will be enforceable in a particular circumstance will include the individual's role, their seniority, their status, their access to clients and business ideas and their influence over the business and employees generally. Generally, the more senior the individual (and the greater their access to confidential information and client connections), the more likely it will be that an onerous temporal restriction will be enforced. Where the geographical scope of the covenant is wide, the Jersey courts are likely to take more convincing that the covenant goes no further than is reasonably necessary between the parties to protect the employer's legitimate business interest.

Other post-termination restrictive covenants are permissible, provided they are expressly included in the employment contract. These may include non-solicitation of clients and employees, non-dealing with clients and intermediaries, and non-poaching or non-employment of key employees.

## Wages

### Working time

Jersey does not impose a statutory cap on weekly working hours, but employees are entitled to a continuous 24-hour rest period in every seven days, or by agreement 48 hours in every 14 days, and a 20-minute uninterrupted break during any six-hour working period. Employees must also receive a minimum of three weeks' paid annual leave, with public and bank holidays either paid or compensated by time off in lieu when worked. Employers should reflect these entitlements in work schedules and maintain accurate records to demonstrate compliance, as breaches can lead to claims and reputational risk.

In practice, however, Jersey tends to follow UK best practice on health and safety matters, not least because employers in Jersey are under a statutory duty to ensure the health and safety of their employees at work and to provide them with a safe working environment.

### Overtime

Jersey law does not mandate an overtime premium, so entitlement and rates are a matter of contractual agreement. Employers should adopt clear policies specifying when overtime applies, who may authorise it, and how it is calculated.

## Foreign workers

Employers must hold the appropriate business licence permissions under the Control of Housing and Work (Jersey) Law 2012 to employ Registered or Licensed (e.g., non-local workers) workers. Employers must also submit regular (monthly) manpower returns to the Jersey government.

The length of a foreign workers stay in Jersey will be conditional upon the terms of their visa and work permit.

The following may work without a work permit in Jersey (subject to the appropriate business licensing provisions):

1. a British or Irish citizen, or a British subject with the right of abode;
2. an EU/EEA passport holder who holds settled or pre-settled status;
3. a family member of an EU/EEA passport holder who holds settled or pre-settled status;
4. a Commonwealth citizen admitted on the grounds of UK ancestry;
5. a Commonwealth citizen with a certificate of entitlement to the right of abode;
6. a participant in the Youth Mobility Scheme;
7. a minister of religion;
8. a business visitor; and
9. a non-EU/EEA passport holder who has no restrictions attached to their stay.

There are two types of work permit – skilled (up to three years, which may be extended) and temporary (limited to nine months and applicable to hospitality, agricultural and fishing industries or one year in the construction industry and renewable up to a maximum period of four years).

Other than those who are British, Irish or are EU citizens holding settled or pre-settled status, a visa will be required to work in Jersey.

## Global policies

While Jersey law does not mandate a statutory disciplinary procedure, the approved Jersey Arbitration Conciliation Service Code of Practice is highly persuasive and should be followed to demonstrate fairness. Employees have a statutory right to be represented at disciplinary and grievance hearings by a colleague or trade union representative. Given the strict time limits for bringing claims, employers should adopt clear internal timetables, template letters and documented processes to ensure investigations and hearings are handled promptly and fairly.

Applicable disciplinary policies should be referenced in employees' written statement of terms and conditions – although they are typically non contractual.

There is no requirement to file disciplinary rules with a government body.

Rules should generally be in English.

Common conflicts arise where global policies mandate investigatory timelines or disciplinary sanctions inconsistent with Jersey's Codes of Practice. Employers should localise templates and provide Jersey-specific guidance notes to managers to ensure procedural fairness.

In terms of publication, any reasonable means including an intranet are permissible.

## Parental leave

Jersey provides up to 52 weeks' parental leave for all parents, including adoptive and intended surrogate parents, with six weeks on full pay funded by the employer. Leave can be taken in up to three blocks over two years, offering flexibility for families. Employees also benefit from antenatal rights and breastfeeding protections, including paid time off for antenatal care and reasonable facilities for breastfeeding or expressing milk. Employers should ensure policies and workplace arrangements reflect these entitlements and that managers are trained to handle requests consistently and lawfully.

Unlike the UK's Shared Parental Leave regime, Jersey offers a simpler structure but imposes strict notice requirements. Employers should maintain clear internal workflows for processing requests and ensure facilities for breastfeeding comply with health and safety standards.

Employees are protected from dismissal by reason of taking parental leave. Where a woman is dismissed because her pregnancy or maternity, it is likely to give rise to a discrimination claim.

## Translation

Jersey law does not require employment contracts or workplace policies to be translated into an employee's first language. However, principles of fairness, transparency and data-protection accountability support taking reasonable steps to ensure understanding, particularly for critical areas such as health and safety rules, pay and working time, parental leave rights and disciplinary procedures. Employers should consider providing translated summaries or interpreter support where appropriate and retain signed acknowledgements confirming receipt and understanding of key documents.

## Employee representation

Jersey provides a statutory framework for the registration of trade unions and employers' associations, as well as procedures for recognition disputes and collective dispute resolution, supported by approved codes of practice. There is no statutory works council regime, but employees have a legal right to be accompanied by a colleague or trade union representative at formal disciplinary and grievance hearings. Employers should ensure internal policies reflect these rights and that managers are trained to handle representation requests appropriately.

## Data protection

### Registration and accountability

Employers in Jersey must register as data controllers with the Jersey Office of the Information Commissioner (JOIC) and comply with the Data Protection (Jersey) Law 2018 and the Data Protection Authority (Jersey) Law 2018. HR data processing must adhere to GDPR-style principles of lawfulness, fairness, transparency, purpose limitation, data minimisation, accuracy, storage limitation and security. Employers should implement robust governance measures, including data protection impact assessments where appropriate, contractual and practical oversight of processors and timely breach notification to the JOIC and affected individuals when required. Documented accountability – such as policies, training and audit trails – is essential to demonstrate compliance.

### Cross-border transfers and sensitive data

Jersey follows a GDPR-style approach to international data transfers, permitting mechanisms such as adequacy decisions, standard contractual clauses, binding corporate rules and narrowly interpreted derogations. HR processing of special-category data (e.g., health information and diversity monitoring) and criminal offence data (e.g., vetting) requires an additional lawful basis, strict access controls and proportionate retention periods. Consent is generally unsuitable in the employment context unless it is genuinely optional and unbundled, so employers should rely on more robust legal grounds and document their compliance measures.

## Background checks and e-signatures

Background checks must be necessary, proportionate and relevant to the role. Criminal records checks should be conducted through approved local channels, and credit checks should be limited to positions involving significant financial responsibility. Employers should document the legal basis for each check and ensure compliance with data protection principles.

Additionally, the Rehabilitation of Offenders (Jersey) Law 2001 provides that certain convictions are treated as 'spent' meaning that employers may not take them into account for employment purposes. There are a number of role-specific exceptions to this, including roles in teaching, health and social care, law enforcement and financial services.

## Emerging trends

The JOIC has signalled increased scrutiny of employee monitoring tools used for remote work, requiring clear lawful bases and transparency as well as, AI-driven recruitment and automated decision-making, which must comply with fairness and accountability principles under the Data Protection (Jersey) Law 2018.

## Discontinuing employment

### Dismissal

In Jersey, employees gain the right not to be unfairly dismissed after one year's continuous service, subject to exceptions for automatically unfair grounds such as discrimination, whistleblowing or asserting statutory rights. From 25 July 2025, employers must provide a written statement of reasons for dismissal within seven days as a day-one obligation, regardless of length of service. Failure to comply can result in an award of up to eight weeks' pay, in addition to any other remedies. This change significantly raises expectations around documentation and decision-making, requiring employers to ensure dismissal letters clearly set out the rationale for termination.

Individual dismissals do not require government notification, but employers must provide statutory or contractual notice (or lawful pay in lieu) and settle all accrued pay and leave. Settlement agreements remain widely used to resolve disputes and waive claims, but they must be in writing and supported by independent legal advice for the employee to be enforceable. Employers should also note the Tribunal's new discretion to uplift unfair dismissal awards by up to 25 per cent for unreasonable employer conduct, reinforcing the need for fair process and accurate record-keeping.

Under Jersey law, an employer can dismiss an employee without cause, although doing so may give rise to contractual and statutory claims such as unfair dismissal and discrimination. These protections are set out in the Employment (Jersey) Law 2003 and the Discrimination (Jersey) Law 2013.

For individual dismissals, there is no requirement to notify any government authority. However, in cases of collective redundancy – defined as 12 or more employees within a 30-day period – employers must follow consultation requirements and notify the relevant minister.

Jersey law does not require employers to notify a works council or trade union of a dismissal. Employees do have the right to be represented by a colleague or union representative during disciplinary hearings, but there is no statutory obligation for union consultation in termination decisions.

There is no legal requirement for a social plan, rehire rights or offers of alternative employment. While employers are expected to act fairly during redundancy consultations, these obligations are not mandated by statute.

Employers must provide statutory minimum notice of one week after four weeks' service, increasing by one week per completed year of service up to a maximum of 12 weeks. Pay in lieu of notice is permissible if agreed or provided for in the employment contract.

Employees are protected against dismissal for a range of reasons, including unfair dismissal, discriminatory reasons, trade union membership, pregnancy and for asserting statutory rights.

Severance is only required in redundancy cases. Employees with two or more years of service are entitled to one week's pay per year of service, capped at £1,040 per week (as of September 2025). There is no statutory severance for ordinary dismissals (although compensation may be awarded for claims such as unfair dismissal and discrimination).

Compromise agreements are permitted and commonly used to resolve disputes or agree exit terms. They should be voluntary, fair and ideally supported by independent legal advice to ensure enforceability.

## Redundancies

Employees with at least two years' continuous service are entitled to statutory redundancy pay of one week's pay per full year of service, subject to a weekly cap (currently £1,040 per week), in addition to notice and accrued entitlements. Where 12 or more redundancies are proposed within 30 days, employers must:

1. consult elected representatives;
2. begin consultation at least 30 days before the first dismissal, and
3. notify the Minister for Social Security.

Employers should also consider and offer suitable alternative roles where available, and employees are entitled to reasonable paid time off to seek work or training. Jersey's collective consultation duty is strictly enforced, and the Tribunal will closely scrutinise process fairness, communication and documentation. Failure to comply can lead to significant compensation exposure and reputational risk.

It is advisable to implement structured redundancy timelines and maintain comprehensive consultation records. Failure to demonstrate genuine consultation may result in aggravated awards, particularly under the Tribunal's new uplift powers.

Under 2025 reforms, the Tribunal now has discretion to apply an uplift of up to 25 per cent to unfair dismissal compensation where an employer's conduct during the dismissal process is deemed egregious.

## Transfer of business

Jersey does not have a general TUPE-equivalent regime, so whether employees transfer with a business depends on the transaction structure and contractual arrangements. Continuity of employment typically requires novation or assignment of contracts or the negotiation of new offers of employment. There is no statutory duty to inform or consult employees, but best practice is to agree employee measures, indemnities, and cooperation obligations in transaction documents and to manage communications carefully to maintain engagement and reduce litigation risk.

## Outlook and conclusions

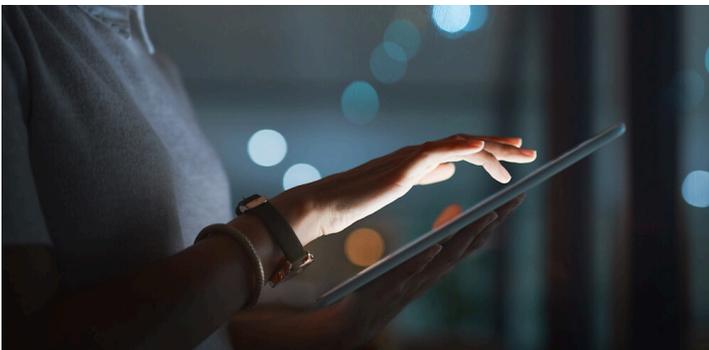
Jersey's 2025 reforms have raised both financial exposure and procedural expectations for employers. In the year ahead, organisations should anticipate more rigorous case management by the Tribunal and closer scrutiny of investigation records, dismissal reasoning, and compliance with new statutory duties, including the day-one obligation to provide written reasons for dismissal. Settlement dynamics are also shifting as parties price risk against extended compensation bands and the potential 25 per cent uplift for employer misconduct.

Beyond litigation risk, tight labour markets and wage inflation will continue to pressure resourcing models, sustaining interest in flexible working arrangements and retention strategies. The most effective strategy is to harmonise practices where feasible and localise them where required, supported by meticulous documentation, proactive compliance planning and timely legal advice.

Looking ahead, potential reforms include enhanced whistleblowing protections.

*Carey Olsen Jersey LLP is registered as a limited liability partnership in Jersey with registered number 80.*

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